

GOVERNANCE MODEL

Effective and efficient, to create sustainable value over time and give rise to a virtuous spiral centred on business integrity.

Prysmian is aware of the importance of a good system of corporate governance for achieving the Group's strategic objectives and creating sustainable value over the long term. The system must ensure that governance is effective, with respect for the institutions and the rules, efficient, with respect for the principles of cost saving, and proper in relation to all parties involved in the life of the Group.

With a view to sparking this virtuous spiral, the Group strives to ensure that the system of governance is aligned constantly with the relevant recommendations and regulations, and complies with domestic and international best practices. In addition, the Group has adopted principles, rules and procedures that govern and guide the activities of all organisational and operational units, as well as guarantee that all operations are carried out in an effective and transparent manner.

With a view to constantly improving the system of corporate governance, Prysmian took various steps during 2014 to implement the recommendations contained in the Code of Self-Regulation, adopted by the Group, and strengthen the principles of transparency and integrity applied.

The structure of corporate governance within the Group is founded on the core role of the Board of Directors - as the most senior body appointed to manage the Company in the interests of shareholders - in providing strategic direction, guaranteeing the transparency of decision-making processes and establishing an effective system of internal controls and

risk management that encompasses the decisions made with internal and/or external effects. The traditional model of governance and control adopted by Prysmian involves the presence of a Shareholders' Meeting, a Board of Directors and a Board of Statutory Auditors.

The Group's Board comprises eleven directors, ten men and one woman, three aged between 30 and 50 and eight who are over 50 years of age. Additionally, seven directors are considered independent pursuant to the Consolidated Finance Law (T.U.F.).

The Board of Directors will be renewed at the Shareholders' Meeting held on 16 April 2015, ensuring that female members will comprise at least one fifth of the total. Further information on the system of corporate governance of Prysmian S.p.A., and on the ownership structure, can be found in the "Report on Corporate Governance and the Ownership Structure" available on the Company's website www.prysmiangroup.com.

On 2 April 2014, the European Commission completed the investigations begun in January 2009 and ruled that, between 18 February 1999 and 28 January 2009, the world's largest cable manufacturers, including Prysmian Cavi e Sistemi S.r.l., had acted to restrict competition in the European markets for, respectively, submarine power cables and high voltage terrestrial power cables. The European Commission deemed



Prysmian Cavi e Sistemi S.r.l., together with Pirelli & C. S.p.A., responsible for the alleged violation during the period from 18 February 1999 to 28 July 2005 and condemned them to pay a fine of Euro 67.3 million. It also deemed Prysmian Cavi e Sistemi S.r.l., together with Prysmian S.p.A. and Goldman Sachs Group Inc., responsible for the alleged violation during

the period from 29 July 2005 to 28 January 2009, condemning them to pay a fine of Euro 37.3 million. Prysmian has appealed to the European Court against this decision and has presented requests to participate in the appeals against the same decision filed by Pirelli & C. S.p.A. and Goldman Sachs Group Inc.

GOVERNANCE STRUCTURE

